

## CHALLENGES OF HUMAN RESOURCES MANAGEMENT IN CHANGING BIHAR: THE WAY FORWARD

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### **ABSTRACT**

*Among the major Indian States, Bihar is a top performer. Despite the commendable achievement of high economic growth rate and Gross State Domestic Product (GSDP) in the recent years, the state is still known as the poorest state in the country. This is the dichotomy in Bihar, that Bihar is changing at a rapid pace but the state is still facing the developmental challenges, which can be identified in the perspective of socio –economic development and human development Index. Bihar had a rich endowment of natural resources with vast human resources.*

*Hence, the paper addresses the dichotomy of development of Bihar, highlighting the issues of human resources development index and socio economic development of people of Bihar. The paper depicts the picture of real development of Bihar in terms of Gross State Domestic Products (GSDP), with comparison to Gross Domestic Products of the country. It also addresses the basic challenges, which the state is facing in terms of the socio –economic development of human resources, as human resources are at cross roads. The paper suggests the way forward with remarks that, can Bihar be India' developed state?*

**KEYWORDS:** *Gross State Domestic Products (GSDP), Dichotomy of Development, Multidimensional Poverty Index (MPI), Sat Nischaya & Panacea for Looking Developed Face*

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### **1. INTRODUCTION**

Bihar is changing at a rapid pace that cannot be handled by traditional management concepts. The fast changes in economy, business and its organizations due to Technological changes, Technological innovation, Information technology, Digitalization and Robotism, has changed the entire world of work. The economic environment of today is witnessing a high degree of volatility. The new patterns of business are emerging, that has created a lot of challenges before the human resources and its management in the state, as well as nation.

Bihar is one of the top performers among the Indian States. However, data also speaks that the state still remains as the poorest and one of the least developed states in India. So, Bihar is still facing the developmental challenges, which can be identified in the perspective of socio –economic development and human development Index. Bihar has rich endowment of natural resources with vast human resources. Neither the natural resources could be optimally utilized nor could human resources be utilized.

The paper addresses the dichotomy of development of Bihar, highlighting the issues of human resources development index and socio economic development of peoples of Bihar. It depicts the picture of real development of Bihar, in terms of Gross State Domestic Product (GSDP) with comparison to Gross Domestic Product of the country, Per capita income, Poverty rates, Literacy rates, Unemployment rates etc. It also addresses the basic

challenges, which the state is facing in terms of the socio –economic development of human resources, as human resources are at a cross roads. The paper suggests the way forward with remarks that, **Can Bihar be India’ developed state?**

## 2. PERSPECTIVES OF CHANGING BIHAR

Bihar has made good strides on economic fronts during the last one and half decades. Before that, Bihar remained one of the least socio-economically developed states in India. An estimation of economic growth rate in terms of Gross State Domestic Product (GSDP) during 1980s was 4.9 percent, which turned flat during 1991-93 to 1995-96. During this period, the national growth rate averaged above 5 percent. During the period 2001-02 to 2007-08, the average annual growth was reported to be 4.68 percent. However, since then there has been increasing trend in growth rate. The estimation indicates that during the period 2008-09 to 2011-12, the average annual growth rate was 10.86 percent. Obviously, this achievement of Bihar’s economic growth has been widely acclaimed across the country. However, this increasing trend in growth rate could not be sustained and during the period 2011-12 to 2016-17, the average annual growth rate was reported to be 6.56 percent. The overall trend in growth rate of GSDP during period 2001-02 to 2016-17 was reported to be 6.81 percent. According to new series of data of GSDP, the growth rate of Bihar’s economy in 2017-18 was 11.3 percent, increasing from 9.9 percent, a year before. As such, it can be said that there has been revival of the economy of Bihar, coming out from the quagmire of low growth rate.

## 3. THE DICHOTOMY

Despite the commendable achievement of high economic growth rate in recent years, the state is still known as poorest state in the country. The dichotomy has been reflected in the following socio and economic indicators:-

- Human Development Index
- Net State Domestic Product
- State Wise Poverty Incidence
- Per Capita Income
- Gross Domestic Product
- Literacy Rates
- Socio Economic Indicators -Population, infant Mortality Rates, WPR, Unemployment
- Multidimensional Poverty Index

If we look at first the level of human development Index, Bihar ranks at bottom among all states or close to it (Table no1). Its per capita Net State Domestic Product (NSDP) of Rs 28,485 is the lowest among all states, and well below half the National average (Table no 2). This has been also areality that the incidence of poverty is the highest in Bihar (Table no 3). An estimation based report of the Expert Group (Tendulkar Committee) points out to the fact that 56 percent of the total population of Bihar is below poverty line, as compared to about 31 percent for the country as whole during the period of 2009-10. Though the data presented in Table 3 are the period 2004-05 and 2009-10, the recent estimation made by the Planning Commission indicates that 33.9 percent of total population in Bihar lives below the poverty line, as compared to 29.1 percent for the country as a whole. The trends in the incidence of poverty shows that poverty ratio has declined over the period, but it has been in slow pace. However, such a decline in poverty ratio may be due to the fast economic growth in the recent past.

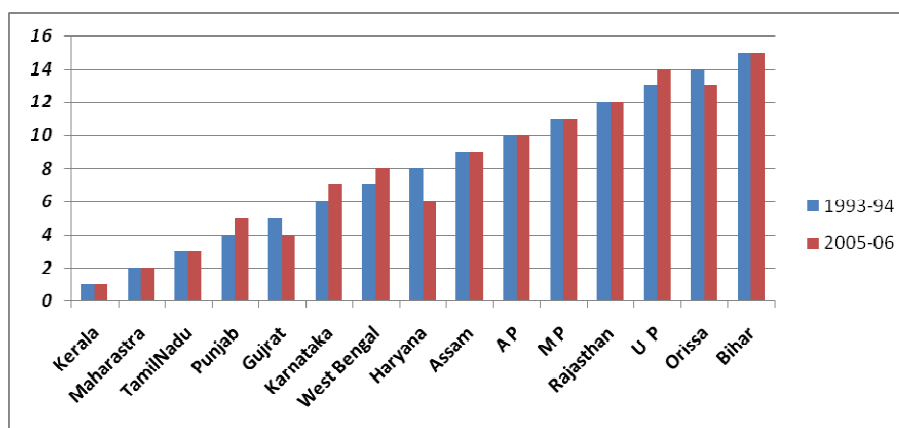
**The Human Development Index** is a statistical tool, used to measure a country's overall achievement in its social and economic dimensions. The social and economic dimensions of the state are based on the health of people, their level of education attainment and their standard of living.

**Table 1: Human Development Index across Major Indian State**

SR No	States	Index			Ranking	
		1993-94	2005-06	Changes	1993-94	2005-06
1	A P	0.523	0.619	18.4	10	10
2	Assam	0.545	0.630	15.6	9	9
3	Bihar	0.398	0.509	27.9	15	15
4	Gujarat	0.588	0.692	17.7	5	4
5	Haryana	0.570	0.681	19.5	8	6
6	Karnataka	0.576	0.675	17.2	6	7
7	Kerala	0.738	0.790	7.0	1	1
8	M P	0.483	0.615	27.3	11	11
9	Maharashtra	0.647	0.741	14.5	2	2
10	Orissa	0.429	0.592	38.0	14	13
11	Punjab	0.610	0.689	13.0	4	5
12	Rajasthan	0.481	0.599	24.5	12	12
13	Tamil Nadu	0.623	0.737	18.3	3	3
14	Uttar Pradesh	0.434	0.555	27.9	13	14
15	West Bengal	0.576	0.666	15.6	7	8
16	India	0.534	0.649	21.5		

**Source:** Bihar Human Development Report, 2010 (mimeo)

Table 1 reveals that Bihar stands bottom in index with 15<sup>th</sup> Rank in both the years 1993-94 and 2005-06 of Human Development Index across Major Indian States. The top of the index is Kerala in both the year with 1993-94(0.738) and 2005-06(0.790). Orissa and Gujarat are the only few states, that have improved their HDI ranks between years 1993-94 and 2005-06. We can see the trends of HDI through the Graph1.



**Graph 1: Human Development Index Ranking across Major Indian States.**

**Source:** Bihar Human Development Report, 2010(mimeo)

Table 2 has been constructed to show the Per capita State Domestic Product (NSDP), compared with major Indian states and All India.

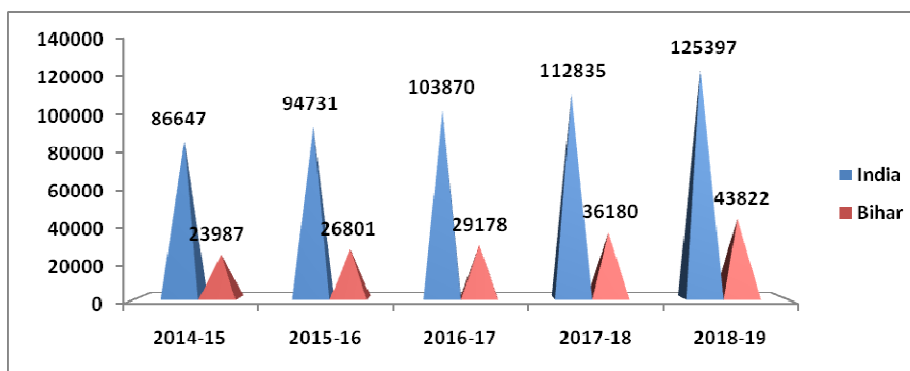
**Table 2: Per Capita State Domestic Product (NSDP)at 2013-14 Prices of Major Indian State**

	States	2013-14	2014-15	2015-16	2016-17	2017-18
1	AP	72254	79174	87217	96374	106545
2	Bihar	22776	23223	23987	25950	28485

3	Chhattisgarh	61409	61146	63791	68321	71581
4	Gujarat	102589	111370	120683	131853	NA
5	Haryana	119522	124302	133591	143211	NA
6.	Jharkhand	43779	48781	44524	49174	50562
6	Karnataka	101919	105697	116832	124093	134118
7	Kerala	107846	112444	119665	128550	NA
8	M P	42778	44336	47646	53047	NA
9	Maharashtra	109398	1114750	122588	133141	140997
10	Orissa	54109	54211	58165	63674	67522
11	Punjab	93228	95807	100141	105386	109946
12	Rajasthan	61053	64522	68048	72072	76146
13	Tamil Nadu	101559	106189	114581	117806	126179
14	U P	34044	34583	36923	38934	40815
	India	68572	72805	77826	82229	86668
<b>PCI of Bihar as % of PCI of India</b>		<b>34.3</b>	<b>31.9</b>	<b>30.8</b>	<b>31.6</b>	<b>32.9</b>

Source: Economic Survey of Bihar, 2018-19 Govt. of Bihar

Table 2 reveals that comparatively, Bihar has the lowest NSDP during the five years from year 2013-14 (22776) to year 2017-18(28485), and stand bottom in table with 14<sup>th</sup> Rank in all the years. The Maharashtra has the highest and top in the ranks of the NSDP. Although the state has continuous improvement in NSDP, yet it is less than all India averages, which can easily understand through Graph 2.



Graph 2: Per Capita Income of India and Bihar

Source: Economic survey of India and Bihar

Bihar has very low contribution in the National income. The graph also simulates that the growth of Bihar's per capita income has been very slow, as compared to the national per capita income.

The state wise poverty incidence is shown in table-3. It shows that poverty is the highest in Bihar? An estimation based on the method of recommendation in the report of the Expert Group (Tendulkar Committee) points out to the fact that, 56 percent of the total population of Bihar is below poverty line as compared to about 31 percent for the country as whole, during the period of 2009-10.

Table 3: State wise Poverty Incidence by Headcount Ratio

State	2004-05			2009-10		
	Rural	Urban	Total	Rural	Urban	Total
Jammu & Kashmir	14.1	10.4	13.2	8.1	11.9	9.1
H P	25.0	4.6	22.9	10.3	12.2	10.5
Kerala	20.2	18.4	19.7	11.3	10.7	11.0
Tamil Nadu	37.5	19.7	28.9	20.4	10.8	15.8
Punjab	22.1	18.7	20.9	15.7	18.1	16.6
A P	32.3	23.4	29.9	21.7	16.3	19.9

Haryana	24.8	22.4	24.1	21.3	22.7	21.8
Uttarakhand	35.1	26.2	32.7	20.6	24.7	23.8
Karnataka	37.5	25.9	33.4	20.6	24.7	24.7
Gujarat	39.1	20.1	31.8	26.1	20.0	25.8
Maharashtra	47.9	25.6	38.1	29.0	18.8	26.6
Rajasthan	35.8	29.7	34.4	31.1	19.2	25.8
West Bengal	38.2	24.4	34.3	28.4	20.8	27.8
Assam	36.4	21.8	38.4	31.1	20.5	27.8
Orissa	60.8	37.6	57.2	39.9	24.7	37.8
U P	42.7	34.1	40.9	40.8	25.8	38.3
M P	53.6	35.1	48.6	42.1	31.5	39.7
Chhattisgarh	55.1	28.4	49.4	46.0	23.4	39.8
Jharkhand	51.6	23.8	45.3	45.0	31.0	41.7
Bihar	55.7	43.7	54.4	57.4	44.1	55.9
<b>All India</b>	<b>41.8</b>	<b>24.7</b>	<b>37.2</b>	<b>35.3</b>	<b>20.8</b>	<b>30.8</b>

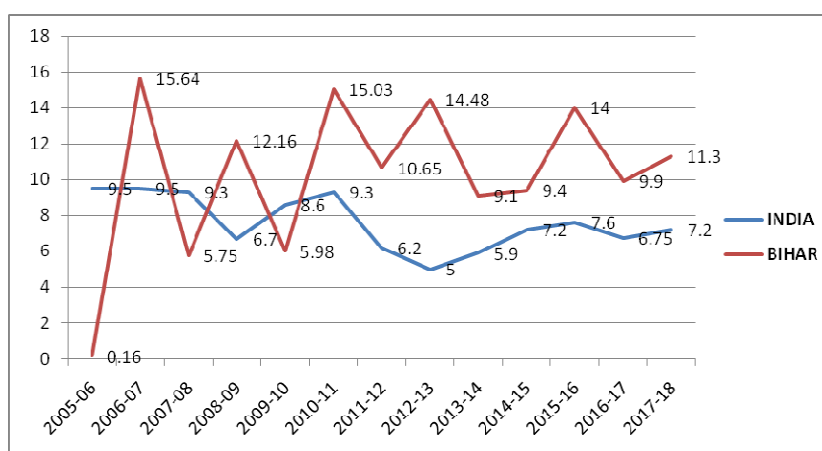
**Source:** Sudipto Mundle “Raising and Managing Resources for A Stronger Bihar, Global Summit paper, 2012

It is one of the most important indicators of growth rate of the state. Bihar is achieving high growth rate in comparison to other major states and the country itself. This is the dichotomy of the state that, irrespective of high growth rate, the state is poor. Table 4 constructed to show the growth of GDP and India.

**Table 4: Gross Domestic Product (GDP) of India and Bihar**

Years	GDP(f c) India	GDP(f c) Bihar
2005-06	9.5	0.16
2006-07	9.5	15.64
2007-08	9.3	5.75
2008-09	6.7	12.16
2009-10	8.6	5.98
2010-11	9.3	15.03
2011-12	6.2	10.65
2012-13	5.0	14.48
2013-14	5.9	9.1
2014-15	7.2	9.4
2015-16	7.6	14.0
2016-17	6.75	9.9
2017-18	7.2	11.3

**Source:** Economic Survey of Bihar, Govt. of Bihar 2018-19



**Graph 3: Gross Domestic Product (GDP) of India and Bihar**

**Source:** Economic Survey of Bihar, Govt. of Bihar 2018-19

If we look at table-4 and graph, it can be clearly seen that Bihar is one of the fastest growing states. The Gross Domestic Product of Bihar grew at the highest rate of above 15.3percent, between 2006-07 and 2010-11. Bihar has witnessed strong growth in Gross Domestic Product (GDP) in comparative to India's GDP. From the Year 2010-11, Bihar has never witnessed low GDP as compared to country's GDP.

Another dichotomy of Bihar's development is the lowest literacy rate, irrespective of various efforts by the government of Bihar to improve the literacy rate. Table-5 has been constructed to see the percentage changes of the literacy rates.

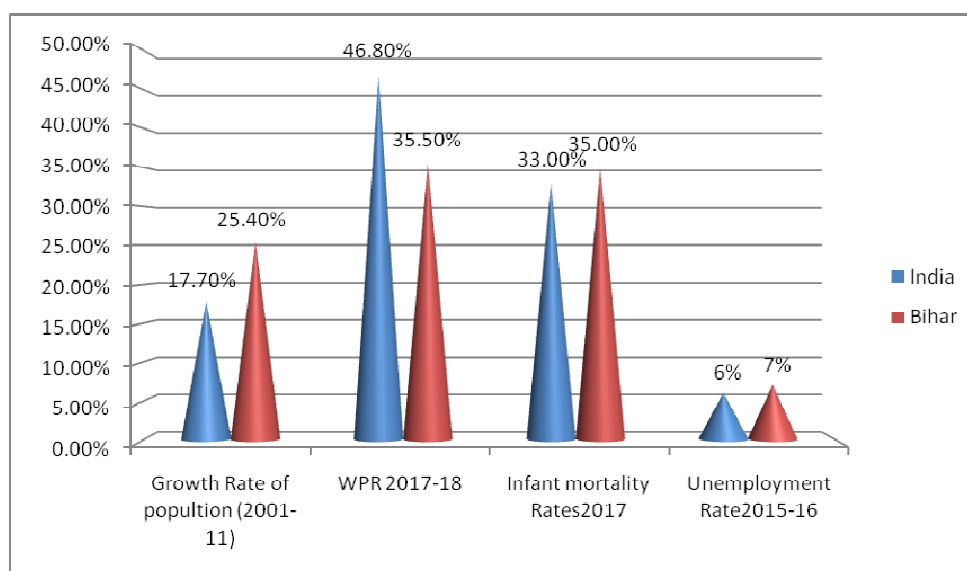
**Table 5: Literacy Rates of India and Bihar**

State Year	Literacy Rates						Percentage Changes			
	1991		2001		2011		In 2001 Over 1991		In 2011 Over 2001	
	M	F	M	F	M	F	M	F	M	F
India	52.21	39.29	68.54	53.67	74.04	65.46	12.63	14.38	9.20	11.79
Bihar	37.49	21.99	47.53	33.57	67.66	59.74	10.04	11.58	16.29	19.76

Source: Census 1991, 2001, and 2011

Bihar has the lower literacy rates in comparison with three decades, as per census report 1991, 2001 & 2011. The table shows the positive changes in terms of literacy rate in Bihar, but it is the lowest in the rank of major states of the country.

Socio economic indicators gauge economic conditions and socio cultural environment, in which people live. Socio-economic status (SES) is a broad concept that includes such factors as Population, unemployment Rates, Educational attainment, Occupation, Income, Wealth and Deprivation. Graph-4 constructed to consider selected socio-economic indicators in comparison to Bihar and India.



**Graph 4: Selected Socio –Economic Indicators.**

Source: Economic Survey of India, Govt. of India 2018-19

The graph-4 clearly indicates that population growth of Bihar is 25.40%, which is comparably higher than the national growth of 17.70%. Coming to the infant mortality rates, Bihar is only 2% higher than the India infant mortality rates. Bihar has 7% of the unemployment Ratio, which is higher by 1% from India in 2015-16.

In order to have better understanding on the dimension of poverty, it is multi- dimensional poverty, which includes poor population. Table 6 constructed to compare MPI of Bihar and India.

**Table 6: Multidimensional Poverty Index (MPI) of Bihar and India**

MPI	Bihar	India
MPI	0.246	0.121
Percentage of poor Population	52.2	27.5
Percentage of Severely Poor Population	22.1	8.6

**Source:** Economic Survey of Bihar 2018-19, Govt. of Bihar

The estimation of Multidimensional Poverty Index(MPI) is presented in the above table;it can be noted from the table that according to estimation of MPI, 52.2 percent of total population in Bihar is below the poverty line, as compared to 27.5 percent at the all India level.

#### 4. CHALLENGES OF HUMAN RESOURCES IN BIHAR

Undoubtedly, Bihar is one of the top performers among Indian States. But, state is facing a lot of challenges, which have been identified in the perspective of socio –economic development. The Problems of state's low socio economic profile revolve around demography, economy and infrastructure, poverty and unemployment, utilization of natural resources like land and water, fiscal consolidation, social delivery system, and above all public administration and governance. As such, despite good performance Bihar has the biggest challenges to rejuvenate the economy and remove the barriers to social and economic development. The basic challenges are as under:

- Bihar has the lowest literacy rate,
- Lowest per capita income
- Highest infant mortality rate in the country.
- Acute human development crisis.
- Challenges of inclusive growth
- High incidence of poverty.
- Acute unemployment.
- Inadequate infrastructure.
- Slow growth of commodity production.
- Poor social delivery system hence inequality.
- Poor industrialization.
- Dependence of agrarian economy.
- High rate of labour migration
- Emergence of Technological Change, I. T. and digitalization.
- Emergence of new markets.
- Poor public administration and governance.

It is well accepted in principle that the high incidence of poverty entails severe limitations on the economy as well as the social transformation. In the economy, the poverty affects the size of domestic effective demand and hence, on the rate of economic growth. In more particular, it severely affected the growth of industrial sector in the state and to some extent, the growth of agricultural sector also. In Bihar, both the production sector (agriculture and Industry) have been

lagging far behind the growth as being experienced in other states of the country.

In the broad perspective of development, it is not viewed merely an expansion of economic growth, but as process of developing people's capabilities. The elements namely, education and health which are main indicators for people's capabilities fall in the categories of social sector, whereas income falls in the categories of economic sector. It is well understood that education and health are not only important social sectors but also, these are important attributes of quality of population on the one hand and the level of social development on the other. Both these attributes have significant impact on all the aspects of human life and thus, human being. Its significance has been added further on account of the fact that there has been now a paradigm shift in the development policy from material gains (income) to non – material gains such as education, health and basic amenities. As such, it is crucial to have accent on development with human face. In this context, two important indicators namely infant mortality rate and literacy have been analysed, in order to assess the performance of the state in improving development with human face.

## 5. THE NEW FACE OF BIHAR

There is no reason to be defensive about the new face of development of Bihar. There are many evidences of its changing face, pushing the state forward to achieve the goals of development. This gives the strength to the belief that a Bihar that can boast of an economy commensurate with size,

- human resources and its potential;
- Bihar that eliminates poverty;
- Bihar that provides dignity and skills to its children;
- Bihar that brings cohesiveness in the society;
- Bihar that emerges as strong participant in national economy.

Apparently, days are waiting for a new face of development of Bihar. This means that Bihar has to overcome the negative legacy of low socio –economic profile, and this is possible only when the state achieve the distinction of a developed state. This calls for well thought strategies and a role model, to accelerate the development process of the state.

## 6. THE WAY FORWARD

Bihar is a predominantly agrarian state and so, the role model may be agricultural development led industrialization, which may prove to be a panacea for looking at the developed face of Bihar. Bihar is moving toward seven determinants (SAT NISCHAYA) that is great vision of our Hon'ble Chief Minister of Bihar Shri Nitish Kumar Jee, by which the Bihar can be the developed state. These are:

- AARTHIK HAL, YUVAON KO BAL
- AARAKSHIT ROZGAR MAHILAON KA ADHIKAR
- HAR GHAR BIJLI
- HAR GHAR NAL KA JAL
- GHAR TAK PAKKI GALI NALIYAAN
- SHAUCHALAY NIRMAAN GHAR KA SAMMAN
- AWSAR BADHE, AAGE PADHEIN





Figure 1

Irrespective of aforesaid SAT NISCHAYA of the state government for speedy and accelerated development, some of the changing role and responses of the government may be suggested as under:

- As human resources is pivotal to create and propel a cultural transformation, that can create and sustain innovation.
- Develop people oriented process right from organisational design and structure to attain objectives.
- Goal setting and appraisal are keys to success of the state, and announced right-fit approach is required for development.
- Focus on technology and innovative culture will add value product and services.
- Focus on outsourcing and PPP (Public Private Partnership) model and alliance for increasing investments.
- Do more with less such as cut cost and increase their business and volume.
- Work for customer delights.
- Shift from management to leadership approach.
- Train and retain talent to stop brain drain from Bihar.
- Create a vision and communicate such vision to empower people to act on vision.
- Build an effective peoples relations for sustainable growth with social justice.
- Healthy people make a healthy society; hence focus should be given for “TotalWellness Programme”.

From the foregoing analysis, it can be well said that there has been turning point in the legacy of the development process of the state. The performance of economic growth very clearly indicates the transitional phase of the economy of the state, having spurt in economic growth, reaching the desirable level in the recent past. However, this is just beginning, and the state has to go forward to accelerate the development process with an aim to designate Bihar as a developed state.

**OUR BIHAR DEVELOPMENT MANTRA IS  
BADHTA BIHAR- BADALTA BIHAR,  
SWASTHYA BIHAR- SAMRIDHA  
BIHAR.**

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